

Pension Benefit Guaranty Corporation

76-111

September 16, 1976

REFERENCE:

[*1] 4062(d) Liability of Employer in Single Employer Plans. Corporate Reorganizations

OPINION:

In your letter of September 3, 1976, you have represented the following:

It is anticipated that on October 1, 1976, * * * will purchase certain assets and assume certain contracts of the * * Company * * * with respect to the North American operations of the * * * As a result of such purchase, approximately * * * employees will cease to be employed by and will be offered employment by * * * No employee benefit plans, including pension plans, covering such employees during their period of employment by * * * will be assumed or maintained by * * * on or after such date. The agreement between * * * and * * * specifically provides that * * * "is not and will not be assuming, continuing or maintaining any employee benefit plan or any assets of any such plan maintained by * * * or any of its affiliates for its employees." It is understood that * * * intends to continue to maintain the * * * plans for * * * remaining employees, but this of course is a matter which is entirely beyond * * * control.

You have requested a determination from us as to whether on the basis of the above facts, * * * would be [*2] deemed a successor corporation for purposes of Title IV of the Employee Retirement Income Security Act of 1974, regardless of any subsequent action or inaction on the part of * * * with respect to its existing plans covering these employees.

Based on the facts as you have represented them, we see no grounds for regarding * * * as a successor corporation to * * * with respect to any existing plans maintained by * * * and not assumed by * * *

You have not requested and we express no opinion with respect to the impact of Title IV of the Act on * * * and its existing plans when and if the proposed transaction is effected.

We trust the above has been of assistance to you.

Henry Rose
General Counsel